

FIRST REGULAR SESSION

# SENATE BILL NO. 389

94TH GENERAL ASSEMBLY

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INTRODUCED BY SENATORS NODLER, CHAMPION, SHIELDS AND GIBBONS.

Read 1st time January 29, 2007, and ordered printed.

TERRY L. SPIELER, Secretary.

1654S.05I

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## AN ACT

To repeal sections 160.254, 173.005, 173.200, 173.203, 173.205, 173.210, 173.215, 173.220, 173.225, 173.230, 173.616, 173.810, 173.813, 173.816, 173.820, 173.825, 173.827, 173.830, and 313.835, RSMo, and to enact in lieu thereof eighteen new sections relating to higher education, with penalty provisions and an emergency clause.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 160.254, 173.005, 173.200, 173.203, 173.205, 173.210, 173.215, 173.220, 173.225, 173.230, 173.616, 173.810, 173.813, 173.816, 173.820, 173.825, 173.827, 173.830, and 313.835, RSMo, are repealed and eighteen new sections enacted in lieu thereof, to be known as sections 160.254, 173.005, 173.093, 173.125, 173.475, 173.616, 173.1000, 173.1003, 173.1006, 173.1101, 173.1102, 173.1103, 173.1104, 173.1105, 173.1106, 173.1107, 173.1108, and 313.835, to read as follows:

160.254. 1. There is hereby established a joint committee of the general assembly, which shall be known as the "Joint Committee on Education", which shall be composed of seven members of the senate and seven members of the house of representatives. The senate members of the committee shall be appointed by the president pro tem of the senate and the house members by the speaker of the house.

2. The committee [may] **shall** meet [and function in any year that the president pro tem of the senate and the speaker of the house of representatives appoint members to serve on the committee] **at least twice a year**. In the event of three consecutive absences on the part of any member, such member may be removed from the committee.

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

12           3. The committee shall select either a chairman or cochairmen, one of  
13 whom shall be a member of the senate and one a member of the house. A  
14 majority of the members shall constitute a quorum. Meetings of the committee  
15 may be called at such time and place as the chairman or chairmen designate.

16           4. The committee shall:

17           (1) Review and monitor the progress of education in the state's public  
18 schools **and institutions of higher education;**

19           (2) Receive reports from the commissioner of education concerning the  
20 public schools **and from the commissioner of higher education concerning**  
21 **institutions of higher education;**

22           (3) Conduct a study and analysis of the public school system;

23           (4) Make recommendations to the general assembly for legislative action;  
24 [and]

25           (5) Conduct an in-depth study concerning all issues relating to the equity  
26 and adequacy of the distribution of state school aid, teachers' salaries, funding  
27 for school buildings, and overall funding levels for schools and any other  
28 education funding-related issues the committee deems relevant;

29           (6) **Monitor the establishment of performance measures as**  
30 **required by section 173.1006, RSMo, and report on their establishment**  
31 **to the governor and the general assembly;**

32           (7) **Conduct studies and analysis regarding:**

33           (a) **The higher education system, including financing public**  
34 **higher education and the provision of financial aid for higher**  
35 **education; and**

36           (b) **The feasibility of including students enrolled in proprietary**  
37 **schools, as that term is defined in section 173.600, RSMo, in all state-**  
38 **based financial aid programs;**

39           (8) **Annually review the collection of information under section**  
40 **173.093, RSMo, to facilitate a more accurate comparison of the actual**  
41 **costs at public and private higher education institutions.**

42           5. The committee may make reasonable requests for staff assistance from  
43 the research and appropriations staffs of the house and senate and the committee  
44 on legislative research, as well as the department of elementary and secondary  
45 education, the department of higher education, the coordinating board for higher  
46 education, the state tax commission, **the department of economic**  
47 **development,** all school districts and other political subdivisions of this state,

48 teachers and teacher groups, business and other commercial interests and any  
49 other interested persons.

50 6. Members of the committee shall receive no compensation but may be  
51 reimbursed for reasonable and necessary expenses associated with the  
52 performance of their official duties.

173.005. 1. There is hereby created a "Department of Higher Education",  
2 and the division of higher education of the department of education is abolished  
3 and all its powers, duties, functions, personnel and property are transferred as  
4 provided by the Reorganization Act of 1974, Appendix B, RSMo.

5 2. The commission on higher education is abolished and all its powers,  
6 duties, personnel and property are transferred by type I transfer to the  
7 "Coordinating Board for Higher Education", which is hereby created, and the  
8 coordinating board shall be the head of the department. The coordinating board  
9 shall consist of nine members appointed by the governor with the advice and  
10 consent of the senate, and not more than five of its members shall be of the same  
11 political party. None of the members shall be engaged professionally as an  
12 educator or educational administrator with a public or private institution of  
13 higher education at the time appointed or during his term. The other  
14 qualifications, terms and compensation of the coordinating board shall be the  
15 same as provided by law for the curators of the University of Missouri. The  
16 coordinating board may, in order to carry out the duties prescribed for it in  
17 subsections 1, 2, 3, 7, and 8 of this section, employ such professional, clerical and  
18 research personnel as may be necessary to assist it in performing those duties,  
19 but this staff shall not, in any fiscal year, exceed twenty-five full-time equivalent  
20 employees regardless of the source of funding. In addition to all other powers,  
21 duties and functions transferred to it, the coordinating board for higher education  
22 shall have the following duties and responsibilities:

23 (1) The coordinating board for higher education shall have approval of  
24 proposed new degree programs to be offered by the state institutions of higher  
25 education;

26 (2) The coordinating board for higher education may promote and  
27 encourage the development of cooperative agreements between Missouri public  
28 four-year institutions of higher education which do not offer graduate degrees and  
29 Missouri public four-year institutions of higher education which do offer graduate  
30 degrees for the purpose of offering graduate degree programs on campuses of  
31 those public four-year institutions of higher education which do not otherwise

32 offer graduate degrees. Such agreements shall identify the obligations and duties  
33 of the parties, including assignment of administrative responsibility. Any  
34 diploma awarded for graduate degrees under such a cooperative agreement shall  
35 include the names of both institutions inscribed thereon. Any cooperative  
36 agreement in place as of August 28, 2003, shall require no further approval from  
37 the coordinating board for higher education. Any costs incurred with respect to  
38 the administrative provisions of this subdivision may be paid from state funds  
39 allocated to the institution assigned the administrative authority for the  
40 program. The provisions of this subdivision shall not be construed to invalidate  
41 the provisions of subdivision (1) of this subsection;

42 (3) In consultation with the heads of the institutions of higher education  
43 affected and against a background of carefully collected data on enrollment,  
44 physical facilities, manpower needs, institutional missions, the coordinating board  
45 for higher education shall establish guidelines for appropriation requests by those  
46 institutions of higher education; however, other provisions of the Reorganization  
47 Act of 1974 notwithstanding, all funds shall be appropriated by the general  
48 assembly to the governing board of each public four-year institution of higher  
49 education which shall prepare expenditure budgets for the institution;

50 (4) No new state-supported senior colleges or residence centers shall be  
51 established except as provided by law and with approval of the coordinating board  
52 for higher education;

53 (5) The coordinating board for higher education shall establish admission  
54 guidelines consistent with institutional missions;

55 (6) The coordinating board shall establish policies and procedures for  
56 institutional decisions relating to the residence status of students;

57 (7) The coordinating board shall establish guidelines to promote and  
58 facilitate the transfer of students between institutions of higher education within  
59 the state **and shall ensure that as of the 2008-2009 academic year, in**  
60 **order to receive increases in state appropriations, all approved public**  
61 **two- and four-year public institutions shall work with the commissioner**  
62 **of higher education to establish agreed-upon competencies for all**  
63 **entry-level collegiate courses in English, mathematics, foreign**  
64 **language, sciences, and social sciences associated with an institution's**  
65 **general education core and that the coordinating board shall establish**  
66 **policies and procedures to ensure such courses are accepted in transfer**  
67 **among public institutions and treated as equivalent to similar courses**

68 **at the receiving institutions;**

69 (8) The coordinating board shall collect the necessary information and  
70 develop comparable data for all institutions of higher education in the state. The  
71 coordinating board shall use this information to delineate the areas of competence  
72 of each of these institutions and for any other purposes deemed appropriate by  
73 the coordinating board;

74 (9) Compliance with requests from the coordinating board for institutional  
75 information and the other powers, duties and responsibilities, herein assigned to  
76 the coordinating board, shall be a prerequisite to the receipt of any funds for  
77 which the coordinating board is responsible for administering; and

78 (10) If any **public** institution of higher education in this state[, public or  
79 private,] willfully fails or refuses to follow any lawful guideline, policy or  
80 procedure established or prescribed by the coordinating board, or knowingly  
81 deviates from any such guideline, or knowingly acts without coordinating board  
82 approval where such approval is required, or willfully fails to comply with any  
83 other lawful order of the coordinating board, the coordinating board may, after  
84 a public hearing, withhold or direct to be withheld from that institution any funds  
85 the disbursement of which is subject to the control of the coordinating board, or  
86 may remove the approval of the institution as an "approved institution" within  
87 the meaning of section [173.205, but] **173.1102. If any such public**  
88 **institution willfully disregards board policy, the commissioner of**  
89 **higher education may order such institution to remit a fine in an**  
90 **amount not to exceed one percent of the institution's current fiscal year**  
91 **state appropriation to the board. The board shall hold such funds until**  
92 **such time that the institution, as determined by the commissioner of**  
93 **higher education, corrects the violation, at which time the board shall**  
94 **refund such amount to the institution. Should the commissioner**  
95 **determine that the institution has not redressed said violation within**  
96 **one year, the fine amount shall be deposited into the general revenue**  
97 **fund, unless the institution appeals such decision to the full**  
98 **coordinating board, which shall have the authority to make a binding**  
99 **and final decision, by means of a majority vote, regarding the**  
100 **matter. However,** nothing in this section shall prevent any institution of  
101 higher education in this state from presenting additional budget requests or from  
102 explaining or further clarifying its budget requests to the governor or the general  
103 assembly[.]; **and**

104           (11) (a) As used in this subdivision, the term "out-of-state public  
105 institution of higher education" shall mean an education institution  
106 located outside of Missouri that:

107           a. Is controlled or administered directly by a public agency or  
108 political subdivision;

109           b. Receives appropriations for operating expenses directly or  
110 indirectly from a state other than Missouri;

111           c. Provides a postsecondary course of instruction at least six  
112 months in length leading to or directly creditable toward a degree or  
113 certificate;

114           d. Meets the standards for accreditation by an accrediting body  
115 recognized by the United States Department of Education or any  
116 successor agency; and

117           e. Permits faculty members to select textbooks without influence  
118 or pressure by any religious or sectarian source.

119           (b) No later than July 1, 2008, the coordinating board shall  
120 promulgate rules regarding:

121           a. The board's approval process of proposed new degree  
122 programs and course offerings by any out-of-state public institutions of  
123 higher education seeking to offer degree programs or course of work  
124 within the state of Missouri; and

125           b. The board's approval process of degree programs and courses  
126 offered by any out-of-state public institutions of higher education that,  
127 prior to July 1, 2008, were approved by the board to operate a school  
128 in compliance with the provisions of sections 173.600 to 173.618.

129 The rules shall ensure that, as of July 1, 2008, all out-of-state public  
130 institutions seeking to offer degrees and courses within the state of  
131 Missouri are evaluated in a manner similar to Missouri public higher  
132 education institutions. Such out-of-state public institutions shall be  
133 held to standards no lower than the standards established by the  
134 coordinating board for program approval and the policy guidelines of  
135 the coordinating board for data collection, cooperation, and resolution  
136 of disputes between Missouri institutions of higher education under  
137 this section. Any such out-of-state public institutions of higher  
138 education wishing to continue operating within this state must be  
139 approved by the board under the rules promulgated under this  
140 subdivision. Any rule or portion of a rule, as that term is defined in

141 **section 536.010, RSMo, that is created under the authority delegated in**  
142 **this section shall become effective only if it complies with and is**  
143 **subject to all of the provisions of chapter 536, RSMo, and, if applicable,**  
144 **section 536.028, RSMo. This section and chapter 536, RSMo, are**  
145 **nonseverable and if any of the powers vested with the general assembly**  
146 **under chapter 536, RSMo, to review, to delay the effective date, or to**  
147 **disapprove and annul a rule are subsequently held unconstitutional,**  
148 **then the grant of rulemaking authority and any rule proposed or**  
149 **adopted after August 28, 2007, shall be invalid and void.**

150 **(c) Nothing in this subdivision or in section 173.616 shall be**  
151 **construed or interpreted so that students attending an out-of-state**  
152 **public institution are considered to be attending a Missouri public**  
153 **institution of higher education for purposes of obtaining student**  
154 **financial assistance.**

155 3. The coordinating board shall meet at least four times annually with an  
156 advisory committee who shall be notified in advance of such meetings. The  
157 coordinating board shall have exclusive voting privileges. The advisory  
158 committee shall consist of thirty-two members, who shall be the president or  
159 other chief administrative officer of the University of Missouri; the chancellor of  
160 each campus of the University of Missouri; the president of each state-supported  
161 four-year college or university, including Harris-Stowe State University, Missouri  
162 Southern State University, Missouri Western State University, and Lincoln  
163 University; the president of Linn State Technical College; the president or  
164 chancellor of each public community college district; and representatives of each  
165 of five accredited private institutions selected biennially, under the supervision  
166 of the coordinating board, by the presidents of all of the state's privately  
167 supported institutions; but always to include at least one representative from one  
168 privately supported junior college, one privately supported four-year college, and  
169 one privately supported university. The conferences shall enable the committee  
170 to advise the coordinating board of the views of the institutions on matters within  
171 the purview of the coordinating board.

172 4. The University of Missouri, Lincoln University, and all other  
173 state-governed colleges and universities, chapters 172, 174 and 175, RSMo, and  
174 others, are transferred by type III transfers to the department of higher education  
175 subject to the provisions of subsection 2 of this section.

176 5. The state historical society, chapter 183, RSMo, is transferred by type

177 III transfer to the University of Missouri.

178 6. The state anatomical board, chapter 194, RSMo, is transferred by type  
179 II transfer to the department of higher education.

180 7. All the powers, duties and functions vested in the division of public  
181 schools and state board of education relating to community college state aid and  
182 the supervision, formation of districts and all matters otherwise related to the  
183 state's relations with community college districts and matters pertaining to  
184 community colleges in public school districts, chapters 163 and 178, RSMo, and  
185 others, are transferred to the coordinating board for higher education by type I  
186 transfer. Provided, however, that all responsibility for administering the  
187 federal-state programs of vocational-technical education, except for the 1202a  
188 post-secondary educational amendments of 1972 program, shall remain with the  
189 department of elementary and secondary education. The department of  
190 elementary and secondary education and the coordinating board for higher  
191 education shall cooperate in developing the various plans for vocational-technical  
192 education; however, the ultimate responsibility will remain with the state board  
193 of education.

194 8. The administration of sections 163.171 and 163.181, RSMo, relating to  
195 teacher-training schools in cities, is transferred by type I transfer to the  
196 coordinating board for higher education.

197 9. All the powers, duties, functions, personnel and property of the state  
198 library and state library commission, chapter 181, RSMo, and others, are  
199 transferred by type I transfer to the coordinating board for higher education, and  
200 the state library commission is abolished. The coordinating board shall appoint  
201 a state librarian who shall administer the affairs of the state library under the  
202 supervision of the board.

203 10. All the powers, duties, functions, and properties of the state poultry  
204 experiment station, chapter 262, RSMo, are transferred by type I transfer to the  
205 University of Missouri, and the state poultry association and state poultry board  
206 are abolished. In the event the University of Missouri shall cease to use the real  
207 estate of the poultry experiment station for the purposes of research or shall  
208 declare the same surplus, all real estate shall revert to the governor of the state  
209 of Missouri and shall not be disposed of without legislative approval.

**173.093. Actual awards of student assistance for students  
2 enrolled in approved public or private institutions of higher education  
3 in this state, as defined in section 173.1102, shall be reduced to ensure**



4 that no student receiving state need-based financial assistance shall  
5 receive financial assistance that exceeds the student's cost of  
6 attendance. Approved institutions shall comply with the provisions of  
7 this section and shall, upon request by the department of higher  
8 education, provide financial information to the department to  
9 determine compliance with the requirements of this section. An  
10 approved institution that has accepted state need-based financial  
11 assistance in excess of the cost of attendance as described in this  
12 section shall refund the excess to the coordinating board for higher  
13 education. For purposes of this section, "financial assistance" shall not  
14 include any student loans or any awards of financial assistance based  
15 solely on a student's academic performance.

173.125. As a condition of receiving state funds, every public  
2 institution of higher education shall agree to submit to binding dispute  
3 resolution with regard to disputes among public institutions of higher  
4 education that involve jurisdictional boundaries or the use or  
5 expenditure of any state resources whatsoever, as determined by the  
6 coordinating board. In all cases, the arbitrator shall be the  
7 commissioner of higher education or his or her designee, whose  
8 decision shall be binding on all parties. Any institution aggrieved by  
9 a decision of the commissioner may appeal such decision, in which  
10 instance the case shall be reviewed by the full coordinating board, at  
11 which time the full coordinating board shall have the authority to make  
12 a binding and final decision, by means of a majority vote, regarding the  
13 matter.

173.475. 1. In addition to the purposes and powers set forth in  
2 sections 173.350 to 173.445, the authority's purposes shall include the  
3 power to cooperate by contract in connection with the revised Lewis  
4 and Clark discovery initiative with any or all of the following: the  
5 department of economic development, the director of the department  
6 of economic development, the Missouri development finance board  
7 created under section 100.265, RSMo, and the curators of the University  
8 of Missouri, for the purpose of transferring certain funds from the  
9 authority to the Missouri development finance board and the use of  
10 such funds by the Missouri development finance board for capital  
11 projects at state educational institutions as defined in section 176.010,  
12 RSMo, and by the Missouri technology corporation, authorized under

13 section 348.251, RSMo.

14           2. The allocation and reservation by the director of the  
15 department of economic development of state ceiling for the authority  
16 under sections 108.500 to 108.532, RSMo, as well as such other terms  
17 and provisions agreed to by the contracting parties in connection with  
18 the cooperation agreement creating the Revised Lewis and Clark  
19 Discovery Initiative, and resolution of the Missouri development  
20 finance board adopted on September 19, 2006, shall be for a period not  
21 to exceed eleven years. Any contract or resolution containing such  
22 provisions shall be enforceable against the parties thereto, and such  
23 terms shall constitute adequate and sufficient consideration to bind the  
24 parties to such contract. To effect the transfer of funds pursuant to any  
25 such contract or resolution, the authority may use any of its proceeds,  
26 fees, revenues, funds, or other assets whenever and however acquired  
27 by the authority at any time since the authority's inception.

28           3. No member of the authority who lawfully acts or votes on any  
29 contract authorized under this section shall incur any personal liability  
30 as a result of such lawful deliberations, acts, or votes, and such  
31 members shall be immune from suit for such deliberations, acts, or  
32 votes. In no event shall such deliberations, acts, or votes constitute a  
33 conflict of interest under section 173.380.

34           4. The provisions of this section shall be in addition to all other  
35 powers and purposes contained in sections 173.350 to 173.445, shall not  
36 be construed as a restriction or limitation upon any purposes or powers  
37 set forth in sections 173.350 to 173.445 or any other provision of law,  
38 and shall be effective notwithstanding any other law to the contrary.

39           5. If any provision of sections 173.350 to 173.475 or the  
40 application thereof to anyone or to any circumstances is held invalid,  
41 the remainder of those sections and the application of such provisions  
42 to others or other circumstances shall not be affected thereby.

43           6. For purposes of this section, the "Revised Lewis and Clark  
44 Discovery Initiative" shall refer to a cooperation agreement entered  
45 into by the department of economic development, the higher education  
46 loan authority, the Missouri development finance board, and the  
47 curators of the University of Missouri on September 27, 2006, or any  
48 successor cooperation agreement entered into by such parties denoted  
49 as the revised Lewis and Clark discovery initiative.

173.616. 1. The following schools, training programs, and courses of instruction shall be exempt from the provisions of sections 173.600 to 173.618:

- 3 (1) A public institution;
- 4 (2) Any college or university represented directly or indirectly on the
- 5 advisory committee of the coordinating board for higher education as provided in
- 6 subsection 3 of section 173.005;
- 7 (3) An institution that is certified by the board as an "approved private
- 8 institution" under subdivision (2) of section 173.205;
- 9 (4) A not-for-profit religious school that is accredited by the American
- 10 Association of Bible Colleges, the Association of Theological Schools in the United
- 11 States and Canada, or a regional accrediting association, such as the North
- 12 Central Association, which is recognized by the Council on Postsecondary
- 13 Accreditation and the United States Department of Education; **and**
- 14 **(5) Beginning July 1, 2008, all out-of-state public institutions of**
- 15 **higher education, as such term is defined in subdivision (11) of**
- 16 **subsection 2 of section 173.005.**

2. The coordinating board shall exempt the following schools, training programs and courses of instruction from the provisions of sections 173.600 to 173.618:

- 20 (1) A not-for-profit school owned, controlled and operated by a bona fide
- 21 religious or denominational organization which offers no programs or degrees and
- 22 grants no degrees or certificates other than those specifically designated as
- 23 theological, bible, divinity or other religious designation;
- 24 (2) A not-for-profit school owned, controlled and operated by a bona fide
- 25 eleemosynary organization which provides instruction with no financial charge
- 26 to its students and at which no part of the instructional cost is defrayed by or
- 27 through programs of governmental student financial aid, including grants and
- 28 loans, provided directly to or for individual students;
- 29 (3) A school which offers instruction only in subject areas which are
- 30 primarily for avocational or recreational purposes as distinct from courses to
- 31 teach employable, marketable knowledge or skills, which does not advertise
- 32 occupational objectives and which does not grant degrees;
- 33 (4) A course of instruction, study or training program sponsored by an
- 34 employer for the training and preparation of its own employees;
- 35 (5) A course of study or instruction conducted by a trade, business or
- 36 professional organization with a closed membership where participation in the

37 course is limited to bona fide members of the trade, business or professional  
38 organization, or a course of instruction for persons in preparation for an  
39 examination given by a state board or commission where the state board or  
40 commission approves that course and school;

41 (6) A school or person whose clientele are primarily students aged sixteen  
42 or under.

43 3. A school which is otherwise licensed and approved under and pursuant  
44 to any other licensing law of this state shall be exempt from sections 173.600 to  
45 173.618, but a state certificate of incorporation shall not constitute licensing for  
46 the purpose of sections 173.600 to 173.618.

47 4. Any school, training program or course of instruction exempted herein  
48 may elect by majority action of its governing body or by action of its director to  
49 apply for approval of the school, training program or course of instruction under  
50 the provisions of sections 173.600 to 173.618. Upon application to and approval  
51 by the coordinating board, such school training program or course of instruction  
52 may become exempt from the provisions of sections 173.600 to 173.618 at any  
53 subsequent time, except the board shall not approve an application for exemption  
54 if the approved school is then in any status of noncompliance with certification  
55 standards and a reversion to exempt status shall not relieve the school of any  
56 liability for indemnification or any penalty for noncompliance with certification  
57 standards during the period of the school's approved status.

**173.1000. The provisions of sections 173.1000 to 173.1006 shall be  
2 known and may be cited as the "Higher Education Student Funding  
3 Act".**

**173.1003. 1. Beginning with the 2008-2009 academic year, each  
2 approved public institution, as such term is defined in section 173.1102,  
3 shall submit its percentage increase in the amount of tuition and  
4 required fees that shall be charged to a full-time Missouri resident  
5 undergraduate at the institution for the upcoming academic year to the  
6 coordinating board for higher education at least three months prior to  
7 the beginning of the academic year. If the percentage increase is  
8 greater than the percentage increase in the general price level as  
9 measured by the consumer price index for the Midwest, as defined and  
10 officially recorded by the United States Department of Labor, or its  
11 successor agency, from January first of the current year compared to  
12 January first of the preceding year, then such institution shall be**

13 subject to the provisions of subsection 2 of this section.

14       2. Any institution that qualifies under subsection 1 of this  
15 section shall remit to the board an amount equal to five percent of its  
16 current year state appropriation amount which shall be deposited into  
17 the general revenue fund unless the institution appeals, within thirty  
18 days of such notice, to the commissioner of higher education for a  
19 waiver of this provision. The commissioner, after meeting with  
20 appropriate representatives of the institution, shall determine whether  
21 the institution's waiver request is sufficiently warranted, in which case  
22 no fund remission shall occur. If the commissioner determines that an  
23 institution's tuition rate increase is not sufficiently warranted and  
24 declines the waiver request, the institution shall remit an amount equal  
25 to five percent of its current year state appropriation to the board,  
26 which shall deposit the amount into the general revenue fund.

27       3. The coordinating board shall ensure that each approved public  
28 higher education institution makes pertinent information regarding  
29 course offerings easily available, on the institution's Internet or  
30 intranet site and in enrollment materials, to students prior to course  
31 enrollment, specifically: the name of the course instructor; the  
32 instructor's academic and other relevant experience; and the portion,  
33 if any, of the course that will be taught by a graduate assistant.

34       4. The provisions of this section shall not apply to any institution  
35 that charges one hundred dollars or less per credit hour.

173.1006. 1. The following performance measures shall be  
2 established by July 1, 2008:

3       (1) Two institutional measures as negotiated by each institution  
4 through the department of higher education; and

5       (2) Three statewide measures as developed by the department of  
6 higher education in consultation with public institutions of higher  
7 education.

8 One such measure may be a sector-specific measure making use of the  
9 2005 additional Carnegie categories, if deemed appropriate by the  
10 department of higher education.

11       2. The department shall report to the joint committee on  
12 education established in section 160.254, RSMo, on its progress at least  
13 twice a year in developing the statewide measures and negotiating the  
14 institution-specific measures and shall develop a procedure for

15 reporting the effects of performance measures to the joint committee  
16 on education at an appropriate time for consideration during the  
17 appropriations process.

173.1101. The financial assistance program established under  
2 sections 173.1101 to 173.1107 shall be hereafter known as the "Access  
3 Missouri Financial Assistance Program". The coordinating board and  
4 all approved private and public institutions in this state shall refer to  
5 the financial assistance program established under sections 173.1101 to  
6 173.1107 as the access Missouri student financial assistance program in  
7 their scholarship literature, provided that no institution shall be  
8 required to revise or amend any such literature to comply with this  
9 section prior to the date such literature would otherwise be revised,  
10 amended, reprinted or replaced in the ordinary course of such  
11 institution's business.

173.1102. As used in sections 173.1101 to 173.1107, unless the  
2 context requires otherwise, the following terms mean:

3 (1) "Academic year", the period from August first of any year  
4 through June thirtieth of the following year;

5 (2) "Approved private institution", a nonprofit institution,  
6 dedicated to educational purposes, located in Missouri which:

7 (a) Is operated privately under the control of an independent  
8 board and not directly controlled or administered by any public agency  
9 or political subdivision;

10 (b) Provides a postsecondary course of instruction at least six  
11 months in length leading to or directly creditable toward a certificate  
12 or degree;

13 (c) Meets the standards for accreditation as determined by either  
14 the Higher Learning Commission or by other accrediting bodies  
15 recognized by the United States Department of Education or by  
16 utilizing accreditation standards applicable to nondegree-granting  
17 institutions as established by the coordinating board for higher  
18 education;

19 (d) Does not discriminate in the hiring of administrators, faculty  
20 and staff or in the admission of students on the basis of race, color,  
21 religion, sex, or national origin and is in compliance with the Federal  
22 Civil Rights Acts of 1964 and 1968 and executive orders issued pursuant  
23 thereto. Sex discrimination as used herein shall not apply to admission

24 practices of institutions offering the enrollment limited to one sex;

25 (e) Permits faculty members to select textbooks without  
26 influence or pressure by any religious or sectarian source;

27 (3) "Approved public institution", an educational institution  
28 located in Missouri which:

29 (a) Is directly controlled or administered by a public agency or  
30 political subdivision;

31 (b) Receives appropriations directly or indirectly from the  
32 general assembly for operating expenses;

33 (c) Provides a postsecondary course of instruction at least six  
34 months in length leading to or directly creditable toward a degree or  
35 certificate;

36 (d) Meets the standards for accreditation as determined by  
37 either the Higher Learning Commission, or if a public community  
38 college created under the provisions of sections 178.370 to 178.400,  
39 RSMo, meets the standards established by the coordinating board for  
40 higher education for such public community colleges, or by other  
41 accrediting bodies recognized by the United States Department of  
42 Education or by utilizing accreditation standards applicable to the  
43 institution as established by the coordinating board for higher  
44 education;

45 (e) Does not discriminate in the hiring of administrators, faculty  
46 and staff or in the admission of students on the basis of race, color,  
47 religion, sex, or national origin and is otherwise in compliance with the  
48 Federal Civil Rights Acts of 1964 and 1968 and executive orders issued  
49 pursuant thereto;

50 (f) Permits faculty members to select textbooks without influence  
51 or pressure by any religious or sectarian source;

52 (4) "Coordinating board", the coordinating board for higher  
53 education;

54 (5) "Expected family contribution", the amount of money a  
55 student and family should pay toward the cost of postsecondary  
56 education as calculated by the United States Department of Education  
57 and reported on the student aid report or the institutional student  
58 information record;

59 (6) "Financial assistance", an amount of money paid by the state  
60 of Missouri to a qualified applicant under sections 173.1101 to 173.1107;

61           (7) "Full-time student", an individual who is enrolled in and is  
62 carrying sufficient number of credit hours or their equivalent at an  
63 approved private or public institution to secure the degree or  
64 certificate toward which he or she is working in no more than the  
65 number of semesters or their equivalent normally required by that  
66 institution in the program in which the individual is enrolled. This  
67 definition shall be construed as the successor to subdivision (7) of  
68 section 173.205 for purposes of eligibility requirements of other  
69 financial assistance programs that refer to section 173.215.

          173.1103. 1. The coordinating board shall be the administrative  
2 agency for the implementation of the program established by sections  
3 173.1101 to 173.1107. The coordinating board shall promulgate  
4 reasonable rules and regulations for the exercise of its functions and  
5 the effectuation of the purposes of sections 173.1101 to 173.1107. It  
6 shall prescribe the form and the time and method of filing applications  
7 and supervise the processing thereof. The coordinating board shall  
8 determine the criteria for eligibility of applicants and shall evaluate  
9 each applicant's expected family contribution. It shall select qualified  
10 recipients to receive financial assistance, make such awards of  
11 financial assistance to qualified recipients, and determine the manner  
12 and method of payment to the recipient.

13           2. The coordinating board shall determine eligibility for renewed  
14 assistance on the basis of annual applications and annual evaluations  
15 of expected family contribution. In awarding renewal grants, the  
16 coordinating board may increase or decrease the amount of financial  
17 assistance to an applicant if such action is warranted by a change in  
18 the financial condition of the applicant, the applicant's spouse or  
19 parents, or the availability of funds for that year. As a condition to  
20 consideration for initial or renewed assistance, the coordinating board  
21 may require the applicant, the applicant's spouse and parents to  
22 execute forms of consent authorizing the director of revenue of  
23 Missouri to compare financial information submitted by the applicant  
24 with the Missouri individual income tax returns of the applicant, the  
25 applicant's spouse and parents for the taxable year immediately  
26 preceding the year for which application is made, and to report any  
27 discrepancies to the coordinating board.

28           3. There is hereby created in the state treasury the "Access



29 Missouri Financial Assistance Fund". The state treasurer shall be  
30 custodian of the fund and shall approve disbursements from the fund  
31 in accordance with sections 30.170 and 30.180, RSMo. Upon  
32 appropriation, money in the fund shall be used solely to provide  
33 financial assistance to qualified applicants as provided by sections  
34 173.1101 to 173.1107. Notwithstanding the provisions of section 33.080,  
35 RSMo, to the contrary, any moneys remaining in the fund at the end of  
36 the biennium shall not revert to the credit of the general revenue  
37 fund. The state treasurer shall invest moneys in the fund in the same  
38 manner as other funds are invested. Any interest and moneys earned  
39 on such investments shall be credited to the fund.

173.1104. 1. An applicant shall be eligible for initial or renewed  
2 financial assistance only if, at the time of application and throughout  
3 the period during which the applicant is receiving such assistance, the  
4 applicant:

- 5 (1) Is a citizen or a permanent resident of the United States;
- 6 (2) Is a resident of the state of Missouri, as determined by  
7 reference to standards promulgated by the coordinating board;
- 8 (3) Is enrolled, or has been accepted for enrollment, as a full-time  
9 undergraduate student in an approved private or public institution;
- 10 (4) Is not enrolled or does not intend to use the award to enroll  
11 in a course of study leading to a degree in theology or divinity; and
- 12 (5) Has not been found guilty of or pled guilty to any criminal  
13 offense.

14 2. Financial assistance shall be allotted for one academic year,  
15 but a recipient shall be eligible for renewed assistance until he or she  
16 has obtained a baccalaureate degree, provided such financial assistance  
17 shall not exceed a total of ten semesters or fifteen quarters or their  
18 equivalent. Standards of eligibility for renewed assistance shall be the  
19 same as for an initial award of financial assistance, except that for  
20 renewal, an applicant shall demonstrate a grade-point average of two  
21 and five-tenths on a four-point scale, or the equivalent on another  
22 scale. This subsection shall be construed as the successor to section  
23 173.215 for purposes of eligibility requirements of other financial  
24 assistance programs that refer to section 173.215.

173.1105. 1. Beginning with the 2007-2008 academic year, an  
2 applicant who is an undergraduate postsecondary student at an

3 approved private or public institution and who meets the other  
4 eligibility criteria shall be entitled to financial assistance, with a  
5 minimum and maximum award amount as follows:

6 (1) One thousand dollars maximum and three hundred dollars  
7 minimum for students attending institutions classified as part of the  
8 public two-year sector;

9 (2) Two thousand one hundred fifty dollars maximum and one  
10 thousand dollars minimum for students attending institutions classified  
11 as part of the public four-year sector; and

12 (3) Four thousand six hundred dollars maximum and two  
13 thousand dollars minimum for students attending approved private  
14 institutions.

15 2. All students with an expected family contribution of twelve  
16 thousand dollars or less shall receive at least the minimum award  
17 amount for the appropriate institutional sector. Maximum award  
18 amounts for an eligible student with an expected family contribution  
19 above seven thousand dollars shall be reduced by ten percent of the  
20 student's expected family contribution. Any award amount shall be  
21 reduced by the amount of a student's A+ program tuition  
22 reimbursement.

23 3. If appropriated funds are insufficient to fund the program as  
24 described, the maximum award shall be reduced across all sectors by  
25 the percentage of the shortfall. If appropriated funds exceed the  
26 amount necessary to fund the program, the additional funds shall be  
27 used to increase the number of recipients by raising the cutoff for the  
28 expected family contribution rather than by increasing the size of the  
29 award.

30 4. Every three years, beginning with academic year 2009-2010,  
31 the award amount may be adjusted to increase no more than the  
32 consumer price index for all urban consumers (CPI-U), Midwest urban,  
33 1982-1984 = 100, not seasonally adjusted, as defined and officially  
34 recorded by the United States Department of Labor, or its successor  
35 agency, for the previous academic year. The coordinating board shall  
36 prepare a report prior to the legislative session for use of the general  
37 assembly and the governor in determining budget requests which shall  
38 include the amount of funds necessary to maintain full funding of the  
39 program based on the baseline established for the program upon the

40 passage of sections 173.1101 to 173.1107. Any increase in the award  
41 amount shall not become effective unless an increase in the amount of  
42 money appropriated to the program necessary to cover the increase in  
43 award amount is passed by the general assembly.

173.1106. If an applicant is granted financial assistance under  
2 any other student aid program, public or private, the full amount of  
3 such aid shall be reported to the coordinating board by the institution  
4 and the recipient.

173.1107. A recipient of financial assistance may transfer from  
2 one approved public or private institution to another without losing  
3 eligibility for assistance under sections 173.1101 to 173.1107, but the  
4 coordinating board shall make any necessary adjustments in the  
5 amount of the award. If a recipient of financial assistance at any time  
6 is entitled to a refund of any tuition, fees, or other charges under the  
7 rules and regulations of the institution in which he or she is enrolled,  
8 the institution shall pay the portion of the refund which may be  
9 attributed to the state grant to the coordinating board. The  
10 coordinating board will use these refunds to make additional awards  
11 under the provisions of sections 173.1101 to 173.1107.

173.1108. Under section 23.253, RSMo, of the Missouri sunset act:

2 (1) The provisions of the new program authorized under sections  
3 173.1101 to 173.1107 shall automatically sunset six years after the  
4 effective date of sections 173.1101 to 173.1107 unless reauthorized by an  
5 act of the general assembly; and

6 (2) If such program is reauthorized, the program authorized  
7 under sections 173.1101 to 173.1107 shall automatically sunset twelve  
8 years after the effective date of the reauthorization of sections 173.1101  
9 to 173.1107; and

10 (3) Sections 173.1101 to 173.1107 shall terminate on September  
11 first of the calendar year immediately following the calendar year in  
12 which the program authorized under sections 173.1101 to 173.1107 is  
13 sunset.

313.835. 1. All revenue received by the commission from license fees,  
2 penalties, administrative fees, reimbursement by any excursion gambling boat  
3 operators for services provided by the commission and admission fees authorized  
4 pursuant to the provisions of sections 313.800 to 313.850, except that portion of  
5 the admission fee, not to exceed one cent, that may be appropriated to the

6 compulsive gamblers fund as provided in section 313.820, shall be deposited in  
7 the state treasury to the credit of the "Gaming Commission Fund" which is  
8 hereby created for the sole purpose of funding the administrative costs of the  
9 commission, subject to appropriation. Moneys deposited into this fund shall not  
10 be considered proceeds of gambling operations. Moneys deposited into the gaming  
11 commission fund shall be considered state funds pursuant to article IV, section  
12 15 of the Missouri Constitution. All interest received on the gaming commission  
13 fund shall be credited to the gaming commission fund. In each fiscal year, total  
14 revenues to the gaming commission fund for the preceding fiscal year shall be  
15 compared to total expenditures and transfers from the gaming commission fund  
16 for the preceding fiscal year. The remaining net proceeds in the gaming  
17 commission fund shall be distributed in the following manner:

18 (1) The first five hundred thousand dollars shall be appropriated on a per  
19 capita basis to cities and counties that match the state portion and have  
20 demonstrated a need for funding community neighborhood organization programs  
21 for the homeless and to deter gang-related violence and crimes;

22 (2) The remaining net proceeds in the gaming commission fund for fiscal  
23 year 1998 and prior years shall be transferred to the "Veterans' Commission  
24 Capital Improvement Trust Fund", as hereby created in the state treasury. The  
25 state treasurer shall administer the veterans' commission capital improvement  
26 trust fund, and the moneys in such fund shall be used solely, upon appropriation,  
27 by the Missouri veterans' commission for:

28 (a) The construction, maintenance or renovation or equipment needs of  
29 veterans' homes in this state;

30 (b) The construction, maintenance, renovation, equipment needs and  
31 operation of veterans' cemeteries in this state;

32 (c) Fund transfers to Missouri veterans' homes fund established pursuant  
33 to the provisions of section 42.121, RSMo, as necessary to maintain solvency of  
34 the fund;

35 (d) Fund transfers to any municipality with a population greater than four  
36 hundred thousand and located in part of a county with a population greater than  
37 six hundred thousand in this state which has established a fund for the sole  
38 purpose of the restoration, renovation and maintenance of a memorial or museum  
39 or both dedicated to World War I. Appropriations from the veterans' commission  
40 capital improvement trust fund to such memorial fund shall be provided only as  
41 a one-time match for other funds devoted to the project and shall not exceed five

42 million dollars. Additional appropriations not to exceed ten million dollars total  
43 may be made from the veterans' commission capital improvement trust fund as  
44 a match to other funds for the new construction or renovation of other facilities  
45 dedicated as veterans' memorials in the state. All appropriations for renovation,  
46 new construction, reconstruction, and maintenance of veterans' memorials shall  
47 be made only for applications received by the Missouri veterans' commission prior  
48 to July 1, 2004;

49 (e) The issuance of matching fund grants for veterans' service officer  
50 programs to any federally chartered veterans' organization or municipal  
51 government agency that is certified by the Veterans Administration to process  
52 veteran claims within the Veterans Administration System; provided that such  
53 veterans' organization has maintained a veterans' service officer presence within  
54 the state of Missouri for the three-year period immediately preceding the issuance  
55 of any such grant. A total of seven hundred fifty thousand dollars in grants shall  
56 be made available annually with grants being issued in July of each  
57 year. Application for the matching grants shall be made through and approved  
58 by the Missouri veterans' commission based on the requirements established by  
59 the commission;

60 (f) For payment of Missouri national guard and Missouri veterans'  
61 commission expenses associated with providing medals, medallions and  
62 certificates in recognition of service in the armed forces of the United States  
63 during World War II and the Korean Conflict pursuant to sections 42.170 to  
64 42.206, RSMo. Any funds remaining from the medals, medallions and certificates  
65 shall not be transferred to any other fund and shall only be utilized for the  
66 awarding of future medals, medallions, and certificates in recognition of service  
67 in the armed forces; and

68 (g) Fund transfers totaling ten million dollars to any municipality with  
69 a population greater than three hundred fifty thousand inhabitants and located  
70 in part in a county with a population greater than six hundred thousand  
71 inhabitants and with a charter form of government, for the sole purpose of the  
72 construction, restoration, renovation and maintenance of a memorial or museum  
73 or both dedicated to World War I.

74 Any interest which accrues to the fund shall remain in the fund and shall be used  
75 in the same manner as moneys which are transferred to the fund pursuant to this  
76 section. Notwithstanding the provisions of section 33.080, RSMo, to the contrary,  
77 moneys in the veterans' commission capital improvement trust fund at the end

78 of any biennium shall not be transferred to the credit of the general revenue fund;

79 (3) The remaining net proceeds in the gaming commission fund for fiscal  
80 year 1999 and each fiscal year thereafter shall be distributed as follows:

81 (a) The first four and one-half million dollar portion shall be transferred  
82 to the [Missouri college guarantee] **access Missouri financial assistance**  
83 fund, established pursuant to the provisions of sections [173.810 to 173.830]  
84 **173.1101 to 173.1107**, RSMo, and additional moneys as annually appropriated  
85 by the general assembly shall be appropriated to such fund;

86 (b) The second three million dollar portion shall be transferred to the  
87 veterans' commission capital improvement trust fund;

88 (c) The third three million dollar portion shall be transferred to the  
89 Missouri national guard trust fund created in section 41.214, RSMo;

90 (d) Subject to appropriations, one hundred percent of remaining net  
91 proceeds in the gaming commission fund except as provided in paragraph (l) of  
92 this subdivision, and after the appropriations made pursuant to the provisions of  
93 paragraphs (a), (b), and (c) of this subdivision, shall be transferred to the "Early  
94 Childhood Development, Education and Care Fund" which is hereby created to  
95 give parents meaningful choices and assistance in choosing the child-care and  
96 education arrangements that are appropriate for their family. All interest  
97 received on the fund shall be credited to the fund. Notwithstanding the  
98 provisions of section 33.080, RSMo, moneys in the fund at the end of any  
99 biennium shall not be transferred to the credit of the general revenue fund. Any  
100 moneys deposited in such fund shall be used to support programs that prepare  
101 children prior to the age in which they are eligible to enroll in kindergarten,  
102 pursuant to section 160.053, RSMo, to enter school ready to learn. All moneys  
103 deposited in the early childhood development, education and care fund shall be  
104 annually appropriated for voluntary, early childhood development, education and  
105 care programs serving children in every region of the state not yet enrolled in  
106 kindergarten;

107 (e) No less than sixty percent of moneys deposited in the early childhood  
108 development, education and care fund shall be appropriated as provided in this  
109 paragraph to the department of elementary and secondary education and to the  
110 department of social services to provide early childhood development, education  
111 and care programs through competitive grants to, or contracts with, governmental  
112 or private agencies. Eighty percent of such moneys pursuant to the provisions of  
113 this paragraph and additional moneys as appropriated by the general assembly

114 shall be appropriated to the department of elementary and secondary education  
115 and twenty percent of such moneys pursuant to the provisions of this paragraph  
116 shall be appropriated to the department of social services. The departments shall  
117 provide public notice and information about the grant process to potential  
118 applicants.

119 a. Grants or contracts may be provided for:

120 (i) Start-up funds for necessary materials, supplies, equipment and  
121 facilities; and

122 (ii) Ongoing costs associated with the implementation of a sliding parental  
123 fee schedule based on income;

124 b. Grant and contract applications shall, at a minimum, include:

125 (i) A funding plan which demonstrates funding from a variety of sources  
126 including parental fees;

127 (ii) A child development, education and care plan that is appropriate to  
128 meet the needs of children;

129 (iii) The identity of any partner agencies or contractual service providers;

130 (iv) Documentation of community input into program development;

131 (v) Demonstration of financial and programmatic accountability on an  
132 annual basis;

133 (vi) Commitment to state licensure within one year of the initial grant, if  
134 funding comes from the appropriation to the department of elementary and  
135 secondary education and commitment to compliance with the requirements of the  
136 department of social services, if funding comes from the department of social  
137 services; and

138 (vii) With respect to applications by public schools, the establishment of  
139 a parent advisory committee within each public school program;

140 c. In awarding grants and contracts pursuant to this paragraph, the  
141 departments may give preference to programs which:

142 (i) Are new or expanding programs which increase capacity;

143 (ii) Target geographic areas of high need, namely where the ratio of  
144 program slots to children under the age of six in the area is less than the same  
145 ratio statewide;

146 (iii) Are programs designed for special needs children;

147 (iv) Are programs that offer services during nontraditional hours and  
148 weekends; or

149 (v) Are programs that serve a high concentration of low-income families;

150           d. Beginning on August 28, 1998, the department of elementary and  
151 secondary education and the department of social services shall initiate and  
152 conduct a four-year study to evaluate the impact of early childhood development,  
153 education and care in this state. The study shall consist of an evaluation of  
154 children eligible for moneys pursuant to this paragraph, including an evaluation  
155 of the early childhood development, education and care of those children  
156 participating in such program and those not participating in the program over a  
157 four-year period. At the conclusion of the study, the department of elementary  
158 and secondary education and the department of social services shall, within  
159 ninety days of conclusion of the study, submit a report to the general assembly  
160 and the governor, with an analysis of the study required pursuant to this  
161 subparagraph, all data collected, findings, and other information relevant to early  
162 childhood development, education and care;

163           (f) No less than ten percent of moneys deposited in the early childhood  
164 development, education and care fund shall be appropriated to the department  
165 of social services to provide early childhood development, education and care  
166 programs through child development, education and care certificates to families  
167 whose income does not exceed one hundred eighty-five percent of the federal  
168 poverty level in the manner pursuant to 42 U.S.C. 9858c(c)(2)(A) and 42 U.S.C.  
169 9858n(2) for the purpose of funding early childhood development, education and  
170 care programs as approved by the department of social services. At a minimum,  
171 the certificate shall be of a value per child which is commensurate with the per  
172 child payment under item (ii) of subparagraph a. of paragraph (e) of this  
173 subdivision pertaining to the grants or contracts. On February first of each year  
174 the department shall certify the total amount of child development, education and  
175 care certificates applied for and the unused balance of the funds shall be released  
176 to be used for supplementing the competitive grants and contracts program  
177 authorized pursuant to paragraph (e) of this subdivision;

178           (g) No less than ten percent of moneys deposited in the early childhood  
179 development, education and care fund shall be appropriated to the department  
180 of social services to increase reimbursements to child-care facilities for low-income  
181 children that are accredited by a recognized, early childhood accrediting  
182 organization;

183           (h) No less than ten percent of the funds deposited in the early childhood  
184 development, education and care fund shall be appropriated to the department  
185 of social services to provide assistance to eligible parents whose family income



186 does not exceed one hundred eighty-five percent of the federal poverty level who  
187 wish to care for their children under three years of age in the home, to enable  
188 such parent to take advantage of early childhood development, education and care  
189 programs for such parent's child or children. At a minimum, the certificate shall  
190 be of a value per child which is commensurate with the per child payment under  
191 item (ii) of subparagraph a. of paragraph (e) of this subdivision pertaining to the  
192 grants or contracts. The department of social services shall provide assistance  
193 to these parents in the effective use of early childhood development, education  
194 and care tools and methods;

195 (i) In setting the value of parental certificates under paragraph (f) of this  
196 subdivision and payments under paragraph (h) of this subdivision, the  
197 department of social services may increase the value based on the following:

198 a. The adult caretaker of the children successfully participates in the  
199 parents as teachers program pursuant to the provisions of sections 178.691 to  
200 178.699, RSMo, a training program provided by the department on early  
201 childhood development, education and care, the home-based Head Start program  
202 as defined in 42 U.S.C. 9832 or a similar program approved by the department;

203 b. The adult caretaker consents to and clears a child abuse or neglect  
204 screening pursuant to subdivision (1) of subsection 2 of section 210.152, RSMo;  
205 and

206 c. The degree of economic need of the family;

207 (j) The department of elementary and secondary education and the  
208 department of social services each shall by rule promulgated pursuant to chapter  
209 536, RSMo, establish guidelines for the implementation of the early childhood  
210 development, education and care programs as provided in paragraphs (e) through  
211 (i) of this subdivision;

212 (k) Any rule or portion of a rule, as that term is defined in section  
213 536.010, RSMo, that is promulgated under the authority delegated in paragraph  
214 (j) of this subdivision shall become effective only if the agency has fully complied  
215 with all of the requirements of chapter 536, RSMo, including but not limited to,  
216 section 536.028, RSMo, if applicable, after August 28, 1998. All rulemaking  
217 authority delegated prior to August 28, 1998, is of no force and effect and  
218 repealed as of August 28, 1998, however, nothing in this section shall be  
219 interpreted to repeal or affect the validity of any rule adopted or promulgated  
220 prior to August 28, 1998. If the provisions of section 536.028, RSMo, apply, the  
221 provisions of this section are nonseverable and if any of the powers vested with

222 the general assembly pursuant to section 536.028, RSMo, to review, to delay the  
223 effective date, or to disapprove and annul a rule or portion of a rule are held  
224 unconstitutional or invalid, the purported grant of rulemaking authority and any  
225 rule so proposed and contained in the order of rulemaking shall be invalid and  
226 void, except that nothing in this act shall affect the validity of any rule adopted  
227 and promulgated prior to August 28, 1998;

228 (l) When the remaining net proceeds, as such term is used pursuant to  
229 paragraph (d) of this subdivision, in the gaming commission fund annually  
230 exceeds twenty-eight million dollars: one-half million dollars of such proceeds  
231 shall be transferred annually, subject to appropriation, to the [Missouri college  
232 guarantee] **access Missouri financial assistance** fund, established pursuant  
233 to the provisions of [section 173.830] **sections 173.1101 to 173.1107**, RSMo;  
234 three million dollars of such proceeds shall be transferred annually, subject to  
235 appropriation, to the veterans' commission capital improvement trust fund; and  
236 one million dollars of such proceeds shall be transferred annually, subject to  
237 appropriation, to the Missouri national guard trust fund created in section  
238 41.214, RSMo.

239 2. Upon request by the veterans' commission, the general assembly may  
240 appropriate moneys from the veterans' commission capital improvements trust  
241 fund to the Missouri national guard trust fund to support the activities described  
242 in section 41.958, RSMo.

[173.200. The general assembly, giving due consideration  
2 to the historical and continuing interest of the people of the state  
3 of Missouri in encouraging deserving and qualified youths to  
4 realize their aspirations for higher education, finds and declares  
5 that higher education for residents of this state who desire such an  
6 education and are properly qualified therefor is important to the  
7 welfare and security of this state and the nation, and consequently  
8 is an important public purpose. The general assembly finds and  
9 declares that the state can achieve its full economic and social  
10 potential only if every individual has the opportunity to contribute  
11 to the full extent of his capabilities and only when financial  
12 barriers to his economic, social and educational goals are removed.  
13 It is, therefore, the policy of the general assembly and the purpose  
14 of sections 173.200 to 173.230 to establish a financial assistance  
15 program to enable qualified full-time students to receive

16 nonreligious educational services in a public or private institution  
17 of higher education of their choice.]

[173.203. The financial assistance program established  
2 under sections 173.200 to 173.230 shall be hereafter known as the  
3 "Charles Gallagher Student Financial Assistance Program". The  
4 coordinating board and all approved private and public institutions  
5 in this state shall refer to the financial assistance program  
6 established under sections 173.200 to 173.230 as the Charles  
7 Gallagher student financial assistance program in their scholarship  
8 literature, provided that no institution shall be required to revise  
9 or amend any such literature to comply with this section prior to  
10 the date such literature would otherwise be revised, amended,  
11 reprinted or replaced in the ordinary course of such institution's  
12 business.]

[173.205. As used in sections 173.200 to 173.230, unless the  
2 context requires otherwise, the following terms mean:

3 (1) "Academic year", the period from August first of any  
4 year through July thirty-first of the following year;

5 (2) "Approved private institution", a nonprofit institution,  
6 dedicated to educational purposes, located in Missouri which:

7 (a) Is operated privately under the control of an  
8 independent board and not directly controlled or administered by  
9 any public agency or political subdivision;

10 (b) Provides a postsecondary course of instruction at least  
11 six months in length leading to or directly creditable toward a  
12 certificate or degree;

13 (c) Meets the standards for accreditation as determined by  
14 either the North Central Association of Colleges and Secondary  
15 Schools or by other accrediting bodies recognized by the United  
16 States Office of Education or by utilizing accreditation standards  
17 applicable to nondegree-granting institutions as established by the  
18 coordinating board for higher education;

19 (d) Does not discriminate in the hiring of administrators,  
20 faculty and staff or in the admission of students on the basis of  
21 race, color, religion, sex, or national origin and is in compliance  
22 with the Federal Civil Rights Acts of 1964 and 1968 and executive

23 orders issued pursuant thereto. Sex discrimination as used herein  
24 shall not apply to admission practices of institutions offering the  
25 enrollment limited to one sex;

26 (e) Permits faculty members to select textbooks without  
27 influence or pressure by any religious or sectarian source;

28 (3) "Approved public institution", an educational institution  
29 located in Missouri which:

30 (a) Is directly controlled or administered by a public agency  
31 or political subdivision;

32 (b) Receives appropriations directly or indirectly from the  
33 general assembly for operating expenses;

34 (c) Provides a postsecondary course of instruction at least  
35 six months in length leading to or directly creditable toward a  
36 degree or certificate;

37 (d) Meets the standards for accreditation as determined by  
38 either the North Central Association of Colleges and Secondary  
39 Schools, or if a public junior college created pursuant to the  
40 provisions of sections 178.370 to 178.400, RSMo, meets the  
41 standards established by the coordinating board for higher  
42 education for such public junior colleges, or by other accrediting  
43 bodies recognized by the United States Office of Education or by  
44 utilizing accreditation standards applicable to the institution as  
45 established by the coordinating board for higher education;

46 (e) Does not discriminate in the hiring of administrators,  
47 faculty and staff or in the admission of students on the basis of  
48 race, color, religion, sex, or national origin and is otherwise in  
49 compliance with the Federal Civil Rights Acts of 1964 and 1968  
50 and executive orders issued pursuant thereto;

51 (f) Permits faculty members to select textbooks without  
52 influence or pressure by any religious or sectarian source;

53 (4) "Coordinating board", the coordinating board for higher  
54 education;

55 (5) "Financial assistance", an amount of money paid by the  
56 state of Missouri to a qualified applicant pursuant to sections  
57 173.200 to 173.230;

58 (6) "Financial need", the difference between the financial

resources available to an applicant, as determined by the coordinating board, and the applicant's anticipated expenses, including tuition, mandatory fees, and board and room while attending an approved private or public institution of postsecondary education. In determining need the coordinating board shall employ a formula similar to nationally recognized comprehensive mechanisms for determining need, such as those of the American College Testing Program or the College Scholarship Service;

(7) "Full-time student", an individual who is enrolled in and is carrying sufficient number of credit hours or their equivalent at an approved private or public institution to secure the degree or certificate toward which he is working in no more than the number of semesters or their equivalent normally required by that institution in the program in which the individual is enrolled.]

[173.210. The coordinating board shall be the administrative agency for the implementation of the program established by sections 173.200 to 173.235. The coordinating board shall promulgate reasonable rules and regulations for the exercise of its functions and the effectuation of the purposes of sections 173.200 to 173.235. It shall prescribe the form and the time and method of filing applications and supervise the processing thereof. The coordinating board shall determine the criteria for eligibility of applicants and shall evaluate each applicant's financial need. It shall select qualified recipients to receive financial assistance, make such awards of financial assistance to qualified recipients and determine the manner and method of payment to the recipient. The coordinating board shall determine eligibility for renewed assistance on the basis of annual applications and annual evaluations of financial needs, giving priority to renewal applicants over new applicants in dispensing available funds in a given year. In awarding renewal grants, the coordinating board may increase or decrease the amount of financial assistance to an applicant if such action is warranted by a change in the financial condition of the applicant, his spouse or parents or the availability of funds for that year. As a condition to

22 consideration for initial or renewed assistance, the coordinating  
23 board may require the applicant, his spouse and parents to execute  
24 forms of consent authorizing the director of revenue of Missouri to  
25 compare financial information submitted by the applicant with the  
26 Missouri individual income tax returns of the applicant, his spouse  
27 and parents for the taxable year immediately preceding the year  
28 for which application is made, and to report any discrepancies to  
29 the coordinating board.]

[173.215. 1. An applicant shall be eligible for initial or  
2 renewed financial assistance only if, at the time of his application  
3 and throughout the period during which he is receiving such  
4 assistance, he

5 (1) Is a citizen or a permanent resident of the United  
6 States;

7 (2) Is a resident of the state of Missouri, as determined by  
8 reference to standards promulgated by the coordinating board;

9 (3) Is enrolled, or has been accepted for enrollment, as a  
10 full-time undergraduate student in an approved private or public  
11 institution;

12 (4) Establishes that he has financial need;

13 (5) Has never been convicted in any court of an offense  
14 which involved the use of force, disruption or seizure of property  
15 under the control of any institution of higher education to prevent  
16 officials or students in such institutions from engaging in their  
17 duties or pursuing their studies; and

18 (6) No award shall be made under sections 173.200 to  
19 173.230 to any applicant who is enrolled, or who intends to use the  
20 award to enroll, in a course of study leading to a degree in theology  
21 or divinity.

22 2. Financial assistance shall be allotted for one academic  
23 year, but a recipient shall be eligible for renewed assistance until  
24 he has obtained a baccalaureate degree, provided such financial  
25 assistance shall not exceed a total of ten semesters or fifteen  
26 quarters or their equivalent. Standards of eligibility for renewed  
27 assistance shall be the same as for an initial award of financial  
28 assistance.]

1           [173.220. An applicant who is enrolled or has been accepted  
2           for enrollment as an undergraduate postsecondary student at an  
3           approved private or public institution after August 13, 1979, and  
4           who meets the other eligibility criteria shall be entitled to financial  
5           assistance based primarily on his financial need and to the extent  
6           of his financial need as determined by the coordinating board,  
7           except that effective August 1, 1980, the amount of such grant shall  
8           not exceed the least of:

9                   (1) The applicant's demonstrated financial need as  
10           determined by the coordinating board; or

11                   (2) One-half the tuition and mandatory fee charges in effect  
12           the prior academic year at the approved institution the applicant  
13           plans to attend; or

14                   (3) Fifteen hundred dollars;

15           and until that date the grant shall not exceed the least of:

16                   (1) The applicant's demonstrated financial need as  
17           determined by the coordinating board; or

18                   (2) One-half the fall 1971 tuition and mandatory fee  
19           charges at the approved institution the applicant plans to attend;  
20           or

21                   (3) Nine hundred dollars.]

          [173.225. If an applicant is granted financial assistance  
2           under any other student aid program, public or private, the full  
3           amount of such aid shall be reported to the coordinating board by  
4           the institution and the recipient.]

          [173.230. A recipient of financial assistance may transfer  
2           from one approved public or private institution to another without  
3           losing his eligibility for assistance under sections 173.200 to  
4           173.230, but the coordinating board shall make any necessary  
5           adjustments in the amount of his award. If a recipient of financial  
6           assistance at any time withdraws from an approved private or  
7           public institution so that under the rules and regulations of that  
8           institution he is entitled to a refund of any tuition, fees, or other  
9           charges, the institution shall pay the portion of the refund to which  
10          he may be entitled attributable to the state grant for that term to  
11          the coordinating board.]

1 [173.810. 1. There is hereby established the "Missouri  
2 College Guarantee Program" which, from funds dedicated pursuant  
3 to subsection 3 of section 313.835, RSMo, shall provide scholarships  
4 for Missouri citizens to attend a Missouri college, university or  
5 vocational or technical school of their choice.

6 2. The definitions of terms set forth in section 173.205,  
7 shall be applicable to such terms as used in sections 173.810 to  
8 173.827, except that for purposes of calculating financial need, the  
9 calculated cost of attendance shall not exceed the average  
10 calculated cost of attendance at the campus of the University of  
11 Missouri which has the largest total enrollment, as determined by  
12 the coordinating board; and the amount of book expenses shall not  
13 exceed the book allowance established for this program by the  
14 coordinating board. The term "scholarship" means an amount of  
15 money paid by the state of Missouri to a qualified college,  
16 university or vocational or technical school student who has  
17 qualified for a scholarship pursuant to the provisions of sections  
18 173.810 to 173.827.]

[173.813. The coordinating board for higher education shall  
2 be the administrative agency for the implementation of the  
3 program established by sections 173.810 to 173.827, and shall:

4 (1) Promulgate reasonable rules necessary to implement  
5 sections 173.810 to 173.827, including rules for granting  
6 scholarship deferments;

7 (2) Implement the form, schedule and method of awarding  
8 scholarships as prescribed by the board established pursuant to  
9 section 173.816, and shall supervise the processing of scholarships  
10 at the direction of such board; and

11 (3) Select qualified recipients to receive scholarships, make  
12 such awards of scholarships to qualified recipients and determine  
13 the manner and method of payment to the recipient.]

[173.816. There is hereby created the "Missouri College  
2 Guarantee Board" consisting of the state commissioner of  
3 elementary and secondary education, two members of the state  
4 board of education selected by the president of such board, the  
5 state commissioner of higher education and one member of the



6 coordinating board for higher education selected by the president  
7 of such board. Board members from the state board of education  
8 and the coordinating board for higher education shall serve  
9 three-year terms provided that one of the initial members from the  
10 state board of education shall be designated by the president of  
11 that board to serve a term of one year and the initial member from  
12 the coordinating board for higher education shall serve a two-year  
13 term. The board shall oversee the Missouri college guarantee  
14 program and shall meet at least annually to receive a report from  
15 the coordinating board for higher education on program  
16 performance. The board, unless otherwise provided in sections  
17 173.810 to 173.827, shall, by majority vote, establish the amount,  
18 form, schedule, eligibility and method of awarding scholarships  
19 pursuant to sections 173.810 to 173.827.]

[173.820. 1. A student shall be eligible for an initial or  
2 renewed scholarship if such student is in compliance with the  
3 eligibility requirements set forth in section 173.215, and in  
4 addition meets the following requirements:

5 (1) Has a cumulative grade point average of at least two  
6 and one-half on a four-point scale or equivalent on the student's  
7 high school core curriculum and has completed a high school  
8 curriculum satisfying the coordinating board's requirements for a  
9 college preparatory or technical preparatory curriculum;

10 (2) Has received a score of twenty or higher on the general  
11 American College Test (ACT) or a composite verbal and math score  
12 of nine hundred and fifty or higher on the Scholastic Aptitude Test  
13 (SAT);

14 (3) Has not been convicted of or pled guilty to any criminal  
15 offense or been adjudicated to have committed an offense which  
16 would constitute a criminal offense if committed by an adult;

17 (4) Has substantially participated in extracurricular  
18 activities, as determined by the coordinating board; and

19 (5) For the purpose of renewal, remains in compliance with  
20 the applicable provisions of section 173.215, and makes satisfactory  
21 academic degree progress as a full-time student.

22 2. (1) A student seeking a scholarship pursuant to sections

23 173.810 to 173.827 shall maintain a cumulative grade point  
24 average (GPA) of at least two point five on a four-point scale, or the  
25 equivalent on another scale approved by the program administrator  
26 while attending the approved public or private institution.

27 (2) If the grade point average of a member who is receiving  
28 educational assistance pursuant to sections 173.810 to 173.827 falls  
29 below two point five on a four-point scale, or the equivalent on  
30 another scale, such member shall retain the educational assistance  
31 and shall be placed on probation under the educational assistance  
32 program. Failure to achieve a current grade point average of at  
33 least two point five on a four-point scale, or the equivalent on  
34 another scale for future semesters or equivalent academic terms  
35 shall result in termination of the scholarship effective as of the  
36 next academic term. The member shall be removed from probation  
37 status upon achieving a cumulative grade point average of two  
38 point five on a four-point scale or the equivalent on another scale.

39 3. Scholarships shall be offered beginning for any academic  
40 term beginning within twenty-four months following the date of  
41 graduation from high school to Missouri high school graduates who  
42 meet the requirements of subsection 1 of this section. The  
43 scholarship shall be applicable toward payment for tuition and  
44 other fees and the costs of books and other education-related  
45 expenses. The amount of the scholarship, regardless of the  
46 institution attended, shall not exceed the current average cost of  
47 tuition and fees at the campus of the University of Missouri which  
48 has the largest total enrollment, as determined by the coordinating  
49 board, and a book allowance as determined by the coordinating  
50 board.

51 4. The amount of scholarship provided under sections  
52 173.810 to 173.827 shall be based upon financial need as  
53 determined under sections 173.810 to 173.827, shall be subject to  
54 the maximum amount established in subsection 2 of this section  
55 and shall be further reduced by the amount of any nonloan  
56 need-based federal financial aid, all other nonloan need-based  
57 assistance received by or on behalf of the student pursuant to other  
58 provisions of this chapter and any other nonloan need-based state

financial aid which aid or assistance may be used for the purposes established pursuant to subsection 2 of this section for scholarships granted pursuant to sections 173.810 to 173.827.

5. A student who is enrolled or has been accepted for enrollment as a postsecondary student at an approved private or public institution beginning with the fall 1999 term and who meets the other eligibility requirements for a scholarship pursuant to sections 173.810 to 173.827 shall, within the limits of the funds appropriated and made available, be offered a scholarship for the first academic year of study as provided in sections 173.810 to 173.827. Such scholarship shall be renewable in like amount annually for the second, third, fourth and fifth academic years, or as long as the recipient is in compliance with the applicable eligibility requirements set forth in section 173.215, provided such years of study are continuous and the student continues to meet eligibility requirements for the scholarship. If a recipient ceases all attendance at an approved public or private institution for the purpose of providing service to a nonprofit organization, a state or federal government agency or any branch of the armed forces of the United States, the recipient shall be eligible for a renewal scholarship upon return to any approved public or private institution, provided the recipient:

(1) Returns to full-time status within twenty-seven months;

(2) Provides verification, in compliance with rules of the coordinating board, that the service to the nonprofit organization was satisfactorily completed and was not compensated other than for expenses or that the service to the state or federal governmental agency or branch of the armed forces of the United States was satisfactorily completed; and

(3) Meets all other requirements established for eligibility to receive a renewal scholarship.]

[173.825. 1. A recipient of a scholarship awarded pursuant to sections 173.810 to 173.827 may transfer from one approved Missouri public or private institution to another without losing eligibility for the scholarship. If a recipient of the scholarship at any time withdraws from an approved private or public institution

6 so that under the rules and regulations of that institution such  
7 recipient is entitled to a refund of any tuition, fees or other  
8 charges, the institution shall pay the portion of the refund  
9 attributable to the scholarship for that term to the coordinating  
10 board for higher education.

11 2. Other provisions of sections 173.810 to 173.827 to the  
12 contrary notwithstanding, if a recipient has been awarded an  
13 initial scholarship pursuant to the provisions of sections 173.810  
14 to 173.827 but is unable to use the scholarship during the first  
15 academic year because of illness, disability, pregnancy or other  
16 medical need or if a recipient ceases all attendance at an approved  
17 public or private institution because of illness, disability,  
18 pregnancy or other medical need, the recipient shall be eligible for  
19 an initial or renewal scholarship upon enrollment in or return to  
20 any approved public or private institution, provided the recipient:

21 (1) Enrolls in or returns to full-time status within  
22 twenty-seven months;

23 (2) Provides verification of sufficient medical evidence  
24 documenting an illness, disability, pregnancy or other medical need  
25 of such person to require that the person will not be able to use the  
26 initial or renewal scholarship during the time period for which it  
27 was originally offered; and

28 (3) Meets all other requirements established for eligibility  
29 to receive an initial or a renewal scholarship.]

3 [173.827. Upon recommendation of the coordinating board,  
4 funds may be appropriated from the Missouri college guarantee  
5 fund for distribution by the coordinating board as grants to any  
6 approved public and private institution which submits an  
7 application demonstrating how the institution will establish and  
8 operate a mentoring program which ensures that at-risk students  
receiving scholarships pursuant to sections 173.810 to 173.827 have  
a positive educational experience at the institution.]

2 [173.830. The "Missouri College Guarantee Fund" is hereby  
3 established in the state treasury. The state treasurer shall  
4 administer the fund, and the moneys in the fund shall be used  
solely by the coordinating board for higher education pursuant to

5 sections 173.810 to 173.827 for the awarding of scholarships to  
6 eligible students and for other purposes specified pursuant to  
7 sections 173.810 to 173.827; provided that moneys in the fund may  
8 be used to fund graduate study scholarships provided pursuant to  
9 section 173.727. Any interest which accrues to the fund shall  
10 remain in the fund and shall be used in the same manner as  
11 moneys which are transferred to the fund. Notwithstanding the  
12 provisions of section 33.080, RSMo, to the contrary, moneys in the  
13 Missouri college guarantee fund at the end of any biennium shall  
14 not be transferred to the credit of the general revenue fund.]

Section B. Because immediate action is necessary to protect the health,  
2 welfare, and safety of those persons associated with Missouri's public colleges and  
3 universities, section A of this act is deemed necessary for the immediate  
4 preservation of the public health, welfare, peace, and safety, and is hereby  
5 declared to be an emergency act within the meaning of the constitution, and  
6 section A of this act shall be in full force and effect upon its passage and  
7 approval.

Bill ✓

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